

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2015-077-00797R

Parcel No. 181/00392-404-003

Kyle Paxton,
Appellant,

v.

Polk County Board of Review,
Appellee.

Introduction

This appeal came on for consideration before the Property Assessment Appeal Board (PAAB) on December 11, 2015. Kyle Paxton is self-represented and requested his appeal be considered without a hearing. Assistant County Attorney Christina Gonzalez represents the Polk County Board of Review.

Paxton is the owner of a one-story, residential dwelling located at 306 NW Irvinedale Drive, Ankeny, Iowa. The subject property was constructed in 2003 and has 2376 total square feet of living area; a full walkout basement with 1250 square feet of living quarters finish; an 840-square-foot attached garage; a deck; an open porch; and a canopied area. The dwelling is listed in normal condition and with high quality construction (Grade 2+5). The site is 0.964 acres. (Exhibit E).

The property's January 1, 2015, assessment was \$403,600, allocated as \$63,800 in land value and \$339,800 in improvement value. Paxton purchased the property in May 2014 for \$405,500. Paxton's protest to the Board of Review claimed the assessment was not equitable as compared with assessments of other like property under Iowa Code section 441.37(1)(a)(1)(a). The Board of Review denied the petition.

Paxton then appealed to PAAB. He believes the subject property's fair assessment should be no higher than \$337,075.

Findings of Fact

In his protest to the Board of Review, Paxton identified four ranch-style properties he considered comparable to his property, all with lower assessments.

Address	Grade	TSFLA	Base Fin	2015 AV
Subject	2+05	2376	1250	\$403,600
3209 NW Boulder Brook Pl	3+05	2542	2185	\$368,200
2302 NE Lakeside Ct	3+05	1935	1359	\$288,600
3118 SW 24th Ct	3+10	2150	1440	\$354,100
3115 SW 24th Ct	3+05	1859	1540	\$337,400

Paxton combined the above-grade and below-grade living areas in comparing the properties. We note that below-grade living area generally has less value than above-grade living area and therefore, comparisons between properties based on combined living area is not standard practice. Paxton also calculated an average assessed value of \$337,075 for these homes. He believes his assessment should not exceed this average. No adjustments were made to account for differences between the properties.

The Board of Review appraiser reported Paxton's selected comparable properties are located in the same taxing district, have similar size lots, and are similar in residence type to his property. However, Paxton's dwelling is a higher construction quality grade and located in a different neighborhood. As an example of the subject's construction quality, we note the exterior photos in the record show the subject has superior exterior architectural features than the comparable properties. The identified dwellings are 3+05 and 3+10 construction quality grades (good quality), whereas Paxton's dwelling is 2+05 (high quality). Higher quality grades results in substantially higher constructions costs, which would then be reflected in the assessments. Since Paxton's grade is higher than the properties he selected for comparison, this would indicate the construction costs of his property were higher. This is evident by comparing the replacement cost new less depreciation (RCNLD) of Paxton's dwelling of \$390,818, with the RCNLD of \$363,703, \$288,797, \$304,894 and \$286,488, respectively of the compared properties. This contributes to his property's higher

assessed value, as well. Location differences also affect properties market values and assessed values.

We note that there is no evidence of recent sales of these properties and thus no assessment/sales ratio for equity analysis can be developed.

Conclusions of Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2015). PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB considers only those grounds presented to or considered by the Board of Review, but determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. §§ 441.37A(1)(a-b). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). In this case, Duster did not shift the burden, and therefore, must prove the assessment is inequitable based upon a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993).

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 257 Iowa 575, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

“(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

Id. at 711. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

Paxton offered four properties he considered comparable for an equity analysis that appear similar to the subject property; however, they differ in construction quality and location. Paxton’s method of simply averaging the unadjusted assessed values of the comparable properties is not a credible way to support an equity claim. No evidence was submitted to indicate that any of the comparable properties were recent sales. Without evidence to show the fair market values of the subject and comparable properties, we were unable to develop an assessment/sales ratio for Paxton’s property as required by *Maxwell* to complete the equity analysis. For these reason, Paxton failed the show his property is inequitably assessed.

Order

IT IS THEREFORE ORDERED that the Polk County Board of Review’s action is affirmed.

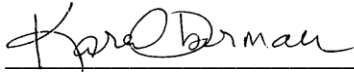
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with

PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action. Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.

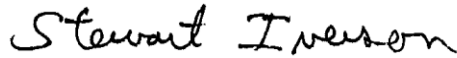
Dated this 6th day of January, 2016.



Jacqueline Rypma, Presiding Officer



Karen Oberman, Board Member



Stewart Iverson, Board Chair

CC:

Kyle Paxton

Christina Gonzalez